

JAMES H. "JIM" BROWN
COMMISSIONER OF INSURANCE
STATE OF LOUISIANA

LOUISIANA

Directive Number 137

June 28, 1996

LSA-R.S. 22:620

LSA-R.S. 22:621

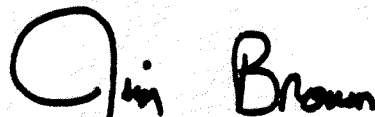
**NOTICE TO ALL PROPERTY & CASUALTY INSURERS
WRITING PERSONAL LINES COVERAGE IN LOUISIANA**

Re: Withdrawal of Absolute/Total Pollution Exclusion

The Louisiana Department of Insurance has undertaken a review of absolute and total pollution exclusions in Homeowners Liability and Personal Automobile Liability Insurance and has concluded that the use of such exclusions is inappropriate for those types of coverages.

Insurers using an Absolute or Total Pollution Exclusion in Homeowners Liability or Personal Automobile Liability Insurance are hereby directed to modify their contracts by submitting a revised policy form, or an endorsement, deleting the exclusion. The change required in the policy language by this Directive is applicable to all new and renewal policies written or issued on or after November 30, 1996. As regards such policies, either the revised policy form, or the amendatory endorsement, must be submitted for review and approval on or before September 15, 1996.

The Commissioner will consider for approval a pollution exclusion limited to government imposed clean-up costs. The Commissioner will also consider for approval limitations or exclusions narrowly drafted to limit or exclude particular hazards or classes of risks. However, such an endorsement will not be approved for use on a blanket basis. Any such filings must be accompanied by a rate filing either adjusting rates or explaining why an adjustment is unnecessary. Furthermore, an insurer issuing a policy with such an endorsement must either stamp a notice on the front of the policy form or provide a signature line for the policyholder on the endorsement.



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